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CENTRAL INTELLIGENCE AGENCY

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## INFORMATION REPORT

## REPORT

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1. Coal production and mining:

- a. While Hungarian coal production during the first quarter of 1952 amounted to 104% of the plan, there was a drop to 87% during April. The main reason for this fall in production is stated to be increasing absenteeism among miners.
- b. An extreme case of low productivity was the Novaky (sic) mine, which in the first quarter accomplished 42 per cent of the plan, but whose output dropped to 27 percent during April. The newly opened "Peace" pit fulfilled its quota to 15 per cent in March, and 21 per cent in April.
- c. The Hungarian Ministry of Mines has recently been investigating the conveyor systems in the various mines under its control, with particular reference to the conveyor belts in the Petöfi mines. The investigations have shown that in all cases where Russian conveyor belts and systems were in use, there have been difficulties, but that no complaints of this kind have ever been made about equipment produced by the Hungarian State Mining Equipment Works "Bamerd". As a result of these investigations the Ministry of Mines has issued orders to the effect that in various mines, only transporter equipment of Hungarian origin is to be used. In any case, Russian equipment is twice as expensive as similar types produced in Hungary.

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2. The Inota power station:

- a. The plans for the new Inota power station have been radically altered in the past few weeks, and the capacity of the plant is now to be considerably smaller than was originally anticipated. Under the new plans, the plant will only be able to supply the needs of Inota itself, and will be unable to supply Sztalinváros (Dunapentele) with power as was originally planned.
- b. The reason for this is the fact that machinery ordered from Czechoslovakia can only be guaranteed delivery by the end of 1953. The building works too, are already six months behind schedule.
- c. In the meantime, the aluminum factory at Inota, which is already working, draws its power by overhead cable from Budapest.

3. The Szőny oil refinery:

A new oil refinery is under construction at Szőny, and is employing about 200 laborers. To be known as "Petrochemia", it is scheduled to start production in October 1952.

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